

January 31, 2002

BWX TYMES

An employee newsletter from the Y-12 National Security Complex



Volume 2, Number 7

U.S. Savings Bonds can be part of your financial security

To all Y-12 employees,

A feeling of security—everyone would like to have it, now more than ever. At Y-12, we are no different than the rest of the country; we want to make a secure future for ourselves and our families.

Purchasing U.S. Savings Bonds is a powerful and effective way for you to ensure a secure future. Beginning in February, you will be given the option of buying bonds through payroll deductions. If you've never had the opportunity to participate in the company's U.S. Savings Bonds program, this is your chance to learn about it. For those of you who already participate, you can take this opportunity to review your financial plans and adjust your allotments accordingly.

U.S. Savings Bonds earn competitive interest rates, are safe because they are backed by the full faith and credit of the United States, are convenient to buy and provide tax advantages. Money placed in Savings Bonds is also readily available for you in times of need.

Now, the Series EE savings bonds you purchase will be inscribed with the special legend, "Patriot Bond." These specially designated Series EE Patriot Bonds offer you a way to express your support for our nation's war and recovery efforts.

I encourage you to find out more and start saving now for tomorrow with the U.S. Savings Bonds Payroll Savings Plan. You can obtain more information about U.S. Savings Bonds at <http://www.savingsbonds.gov/>. For more information about the company's payroll savings plan, see the information at right.

John T. Mitchell
President and General Manager
BWXT Y-12, L.L.C.



Do you know this man?

Here's a hint—he developed the first blood bank. Need more information? You can find out about Dr. Charles Drew and many other African-American inventors, scientists, explorers, engineers and doctors during February, which is Black History Month, at the American Museum of Science and Energy's exhibit, "African Americans in History, Science and Technology."

Here's another question: Do you know who is helping to lead Y-12 into the future? Do the names Jackie Hill, Rosanne Smith, Patrice Eggleston, Ken Lewis, Joyce Conner and A.C. Hollins ring a bell? Find out about these Y-12 African-American innovators and the museum exhibit on pages 4 and 5.

U.S. Savings Bonds— how to buy them and watch them grow

The ORNL Federal Credit Union (ORNLFCU) has partnered with BWXT Y-12 as an agent for purchasing U.S. Savings Bonds for employees.

- To access information concerning the bonds program, contact the ORNLFCU on the Web at <http://www.ornlfcu.com/bonds-y12/> or by calling 220-6870.
- Forms to purchase, change or stop bonds can be obtained via Payroll's Web site at http://www-internal.y12.doe.gov/BMA/services/payroll_bene/prforms.htm or by calling the OneCall Center at 574-1500.
- Information regarding your bond account balances may be obtained through the Web at <https://www.ornlfcu.com/cgi-bin/mcw000.cgi?MCWSTART> or by calling the ORNLFCU at 220-6870.



Y-12, ORNL working together for national security

Helping stop nuclear proliferation and reduction of the threat from weapons of mass destruction is the focus of a new cooperative agreement between the Y-12 National Security Complex and Oak Ridge National Laboratory

Additionally, the two organizations have agreed that ORNL will play a technological role in the modernization of Y-12.

“Where our contracts overlap, we are bringing a blended set of resources to bear on a refocused national security mission for Oak Ridge,” said John Mitchell, president and general manager of BWXT Y-12.

At the same time, Bill Madia, director of ORNL, said that the laboratory “is making an explicit commitment to help in the modernization of Y-12.”

While Y-12 and ORNL have different missions, both must serve the needs of the Department of Energy (DOE) and the National Nuclear Security Administration (NNSA) and meet what Energy Secretary Spencer Abraham calls the overarching mission of the DOE: national security.

As part of this partnership, some 40 employees from BWXT Y-12 have gone to ORNL in a shifting of function to the laboratory. “It’s more than just moving people; it is a shift of their specific function from Y-12 to ORNL,” Mitchell said.

New relationship created

For many years, ORNL and Y-12 were operated by the same management and operations contractor. Because of that, a special relationship existed between the two organizations.

However, a disconnect between ORNL and Y-12 resulted from DOE’s separation of the M&O contractors in 1996, and the creation of NNSA, the quasi-independent element of DOE created to manage the nuclear weapons complex, in 2000.

The new relationship between ORNL and Y-12 is a way of recovering some of that lost relationship while taking advantage of ORNL’s research and development capabilities and Y-12 strength’s in manufacturing and engineering.

A “principles of agreement” signed by Mitchell for Y-12 and Madia for ORNL, along with Bill Brumley from NNSA and Leah Dever of DOE’s Oak Ridge Operations Office, defines

how work with national security customers will be aligned.

Under the agreement, for NNSA, which is BWXT Y-12’s primary customer, Y-12 provides the customer interface and ORNL provides research and development. For other national security customers, which are primarily ORNL customers, the laboratory will be the customer interface and Y-12 will provide expertise. In short, the work goes where the expertise is.

Joint Center created

Created under the agreement, a new Joint Center for International Threat Reduction, under the direction of Robin White, develops, coordinates and assists in implementing domestic and international programs aimed at reducing the threat from weapons of mass destruction. The Joint Center will have two deputy directors. Larry Satkowiak will be the deputy on the ORNL side. The deputy from Y-12 is yet to be named.

“Robin will represent to our customers all the skills that Oak Ridge has to offer,” Mitchell said.

The Joint Center will integrate ORNL and Y-12 expertise in growing current programs and in pursuing new programs.

The second element of the new partnership is the integrated modernization of Y-12.

ORNL’s capabilities and facilities, combined with its expertise in technology development and deployment, are well matched to Y-12’s needs for modernization.

Chief Scientist for Y-12 named

To support this initiative, Doug Craig is taking on the job as chief scientist for Y-12. Craig has worked at both ORNL, where he was director of the Metals and Ceramics Division from 1992 through 1999, and at Y-12, where he was director of Technical Operations.

Under Craig’s leadership, Y-12 and ORNL staff will work together on developing technologies needed to modernize Y-12, open a “window” to a broader technical community and assist in generating technology road maps.

“No other place in the nation has both a national laboratory and a nuclear manufacturing facility located so closely together. We are unique when we work together, and this new agreement is a way to bring that to bear on the vital mission of national security,” Mitchell said.

Sherry named deputy manager of NNSA’s Y-12 office

Theodore (Ted) Sherry has been named the Deputy Manager for the National Nuclear Security Administration’s Y-12 Area Office.

In his new position, Sherry will assist in the management of the national defense activities at the Y-12 National Security Complex. Previously, he served as the Program Manager for the Nuclear Explosive Safety Program for the National Nuclear Security Administration (NNSA) in Albuquerque, New Mexico.

Sherry also held several other positions at the NNSA Albuquerque office. These include Nuclear Explosive Safety Engineer, Pantex Integrated Safety Process Deputy Team Leader and Technical Training Program Manager.

Before joining NNSA, Sherry was a senior engineer for a contractor supporting the Environment, Safety and Health Office in DOE Headquarters. Prior to that he served in the U.S. Navy as a nuclear submarine officer and certified nuclear engineer. His tours included submarine duty in Groton, Conn., Undersea Warfare Analyst for the Chief of Naval Operations staff in Washington, D.C., and a Systems Engineer at the National Security Agency in Fort Meade, Md.

A native of Lutherville, Md., Sherry received a bachelor of science in electrical engineering from West Virginia University and a master of business administration from the University of Maryland. Sherry and his wife, Angela, have two children, Alex, 7, and Rachel, 4.



Craig



Sherry

GET training a must for Y-12 portal access

An important part of the BWXT Y-12 Safety program is the General Employee Training (GET). GET is considered the minimum essential training required for all personnel to ensure that everyone is knowledgeable and capable of working safely at Y-12. All employees who work at the Y-12 Site are required to complete GET every two years to maintain qualification. Beginning February 1, GET will become one of the requirements for access to the Y-12 Site.

Employees who have not completed their GET training requirements will not be granted access, by the badge readers, through Y-12 perimeter portals. If the badge reader denies access and displays the message "ESCORT REQ- GET" employees should contact their supervisor by telephone located at each portal or go to the Y-12 Visitor Center to complete GET- I Safety Overview training and obtain temporary access. On May 1, GET will be included as a badge reader access control for all others who work at Y-12 such as Department Of Energy, National Nuclear Security Administration employees, visitors and subcontractor personnel.

Everyone who performs work on the Y-12 site for 10 or more days a year must complete GET training by successfully passing the required examination every two years. Bechtel Jacobs Company and UT-Battelle's GET training has been determined to be equivalent to Y-12's and has been approved for access to most areas of the Y-12 site. Visitors, subcontractors and others requiring only short-term access (less than 10 days a year) may complete abbreviated GET-I Safety Overview Training at the Y-12 Visitor Center. A short-term visitor badge can then be issued for temporary (one to nine days) access to Y-12.

The procedure Y90-010, "GET and Rad Worker Training for Accessing Y-12 Controlled Areas," contains more detailed information if needed.

Everyone should make sure that they are current in their GET training and that a record of this training has been entered into the SAP training data file. See your organization training point of contact or your organization sponsor for assistance in completing GET training requirements for access to Y-12.

FMLA: You received the information, but did you understand it?

When you receive correspondence from the company, do you fully comprehend everything in it? Near the end of last year, a letter with the OneCall Center logo should have reached you concerning Family Leave and Medical Act (FMLA) reporting changes that would take effect January 1. Changes in policies sometimes can be confusing, so we asked the Benefits Delivery group some questions about the recent modifications in the FMLA policy for Y-12 employees. If you read these questions and answers and still aren't clear about the changes, contact the OneCall Center at 574-1500.

Q: Why have the recent changes in the FMLA policy occurred?

A: It was a management decision to implement a policy change in an effort to better manage FMLA absences.

Q: Did these changes come about because of changes made in a Federal policy or is it strictly within our company?

A: The FMLA has not changed since the final regulations were released in 1995. The guidelines allow companies to choose a calendar year or a rolling 12-month period for establishing FMLA eligibility and computing the amount of FMLA entitlement remaining in that 12-month period. Y-12 changed to a rolling 12 months for calculating eligibility approximately two

years ago. Effective January 1, entitlement now is calculated the same way.

Q: Can you give an example of how the change would be different from the previous method?

A: For example, an employee is absent from work from September 1, 2002, until April 30, 2003, with no prior FMLA absences recorded. Using the calendar year method, the employee's absence would be FMLA protected beginning September 1, 2002, for 12 weeks and also from January 1, 2003 for an additional 12 weeks provided he or she had worked 1,250 hours during calendar year 2002.

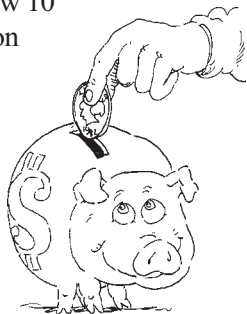
With the rolling 12-month period of calculation, the absence beginning September 1, 2002, would be FMLA protected for 12 weeks. Beginning January 1, 2003, the continuing absence would not be FMLA protected since the 12-week FMLA entitlement had been exhausted within the preceding 12 months. The employee would not be eligible for additional FMLA leave until possibly later in the year.

It is possible with a rolling 12-month calculation for an employee to be approved for two FMLA periods within the same calendar year, as long as 1,250 hours have been worked between the two absences.

Good news for you and your paycheck

The second phase of the Bush tax cut, passed by Congress last year, took effect this month. As a result, most employees will be taking home a little more of their pay than they did last year. This year's income tax withholding tables incorporate the new 10 percent tax bracket and the one percent reduction in each of the rates for tax brackets above the 10 percent level.

Tax savings will vary by individual depending on several factors, such as pre-tax medical deductions and 401K deductions. If you have questions concerning this issue, contact John Hagen in Payroll and Tax Administration at 576-2153 for clarification.



Sirens to be tested February 6

During the morning of February 6, the Public Warning System sirens around Y-12 will be tested. The test will take place about 10 a.m.

Sirens at ETTP will be tested at 8:30 a.m. and at ORNL about noon. Anyone outdoors in any of these areas during the test will hear a siren for three to five minutes.

DOE's warning sirens are intended to provide immediate notification of an emergency to people who are within an approximate 2-mile radius of DOE's Oak Ridge sites.

State and local governments want to make residents around the complex more aware of the use of the Public Warning System. In order to do that, beginning Wednesday March 6, the sirens will be tested on a monthly basis. Tests will begin with the ETTP site at 11:45 a.m. on the first Wednesday of the month.

African-American innovators help Y-12 into the future through

What motivates a scientist, a doctor, an explorer or an engineer to pursue that field of study? Do the same motivations apply if you are an African American? Y-12 has a number of prominent African-American innovators in the fields of science, engineering, technology and community leadership. Here, they share their motivations, their proudest achievements and give words of encouragement for all those interested in entering these fields.

When Jackie Hill of Quality came to Y-12 in 1969, he put his physics degrees to work in the Physical Testing organization. Since then, he has been involved in a number of projects, including

non-destructive testing, supervisory instruction, quality engineering, metrology programs, weapons acceptance activities, restart efforts and technology transfer. Hill said his background in physics enabled him to communicate and work with people in all of these areas.

"Although my first field of choice for a profession was engineering, I was persuaded by my high school advisor to pursue physics. I thought if this didn't work out, I could always change fields later, but I continued to enjoy the field

and eventually received a BS and MS in Physics," he said. "The field of physics can open many doors in manufacturing facilities, research and development organizations, high-tech companies, power and utility companies, and other areas because you can understand the processes and systems used by these industries."

Hill said he is most proud of his achievements "when I have a hand in helping to make the company look good or stand out from the rest." He points to his assignment as a core manager working with the Y-12 metrology group.

"Because of this opportunity, I was able to coordinate the establishment of the first DOE metrology laboratory to receive accreditation from the National Voluntary Laboratory Accreditation Program," he said. The group also received Vice President Gore's Hammer Award for their efforts.

Rosanne Smith of Technology Development also has been able to vary her experiences at Y-12, as well as pursue her fourth degree, a Ph.D. that she earned last year.

Her reason for studying chemistry, materials and polymer engineering? "Basic curiosity!" she said. "I also enjoy hands-on work with equipment and instrumentation. My jobs in management positions are the result of enjoying people and having curiosity about company systems."

Smith came to Y-12 in 1983 and has held positions as varied as procurement engineer to affirmative action site manager. She also has held a number of "auxiliary" positions, such as United Way chairman and Total Quality Management division leader.

She also is involved with many community activities, and she takes great pride in her family, which

includes her 11- and 5-year-old sons. There's not much Smith's "basic curiosity" won't investigate, and that trait is what has led to her greatest successes.

"My proudest achievement changes depending on the day you ask," she said.

"Today, I would say earning a Ph.D., because I was able to successfully complete all the tasks leading to the degree—the coursework, the preliminary exams, the data gathering and the writing of the dissertation. It takes a great deal of work and persistence.

"I would encourage those entering an engineering or scientific field to ask many questions and be willing and bold enough to TRY, even if you're afraid. You have to get out of your comfort zone."

Joyce Conner of Human Resources' Compliance Programs has been working at Y-12 for more than 30 years, with 20 of those years in the field of human resources. Her responsibilities include managing the disability program, assisting in ensuring compliance with Equal Employment Opportunity and Affirmative Action, and conducting investigations and preparing responses for the Employee Concerns program and EEO/AA charges from outside agencies.

If she didn't have enough to do at her office, Conner also represents the company on committees including the Tennessee Committee on Employment of People with Disabilities and the Department of Labor Office on Disability Employment Policy Employer Subcommittee. She also serves on the board of directors of the YWCA and the Disability Resource Center.

It is from her work in the community that Conner has received numerous awards and accolades from her peers at work and the community. It is her contributions to the community and the opportunity to share her knowledge that she said is one of her proudest achievements. She also is a proud mother of two sons and places a great emphasis on her family.

"Human resources is an interesting and challenging field because it is always changing—in laws, regulations and personnel requirements. You must be flexible, learn to deal with change and be fair and sensitive to others when dealing with issues. Most importantly, you can't forget that people are important," she said. "Lastly, if you think you've arrived and you know it all, move on to another field because human resources is a journey, not a destination."

Patrice Eggleston has been a metallurgical engineer in Technology Development for 17 years, but her fascination with different materials and their behaviors came at an early age. "Something as basic as steel can be ductile and formable like a tie wrap, but with the appropriate heat treatment, it becomes stiff and resilient like a spring," she said. "I guess like the steel, I was affected by my environment."

Eggleston has done work with metal forming and casting, finite element analysis of metal-forming processes, and has lent support to the restart of metal operations in Enriched Uranium Operations. Currently, she is one of the first group of principal



Hill



Conner



Smith

gh science, engineering and community outreach

investigators in the Plant Directed Research, Development and Demonstration projects. Eggleston is researching the possibilities using microwave technology in connection with processing metals—a new technology—in which she is proud to be a pioneer.

“This past November, I was invited to present the recent developments in microwave research at the Defense Manufacturing Conference in Las Vegas,” she said. “It was an honor to be asked, but the response and enthusiasm the talk inspired assured me that our efforts are worthwhile. This year, I have started to investigate the use of microwave energy for stress relieving of metal parts. This research could bring significant safety improvements to my co-workers and cost benefits to the metalworking industry. I am glad to know that my efforts could affect the future direction of my field.”

Eggleston’s fascination has become a passion, and she encourages others to nurture their passions for science and engineering. “If you start with a passion for something and develop a strong basic knowledge of that field and maintain an inquisitive mind, you can accomplish great things. It’s never boring because the problems are different and there’s always more than one solution.”

Kenneth Lewis, a senior staff engineer in the Nuclear Criticality Safety organization, also became intrigued by his field of choice at an early age. At 14, Lewis became excited about the possibilities



Lewis

in the nuclear field. “It was relatively new, very exciting and the vistas seemed limitless: controlled thermonuclear fission, nuclear space propulsion and nuclear medicine. These are all still areas of great promise,” he said. Lewis’ education and work experience has taken him literally and figuratively all over the map. Degrees in physics and nuclear engineering from Rutgers and Stanford, and a degree in applied mathematics plus a Ph.D. in nuclear engineering from the University of Illinois at Urbana-Champaign only began his nationwide trek. He’s even managed to pick up a couple theology degrees along the way. Lewis has worked in the Atomic Vapor Laser Isotope Separation group at Lawrence Livermore National Laboratory, the Portsmouth Gaseous Diffusion Plant and the Reactor Physics organization at the Idaho National Engineering Laboratory.

Although he has won many awards, including receiving the Engineer of the Year and NOVA awards from Lockheed Martin, Lewis said it is the recent events that have made him aware of his proudest achievement.

“In view of the events of September 11, my most significant contribution at Y-12 was to serve as a nuclear engineer and team member on the Sapphire Project, which retrieved highly enriched uranium from the former Soviet republic of Kazakhstan. This



Eggleston

project kept 600 kilograms of bomb-grade nuclear materials out of the hands of potential terrorists, whom we now realize would have had no reservations about using it had it been available.”

Lewis encourages everyone to pursue his or her dreams. “Realize that there are sacrifices to be made and pitfalls to be avoided; you are not defeated until your legs stop churning towards the goal line. A famous man once said, ‘Where there is no struggle, there is no progress.’”

A.C. Hollins is the newest arrival at Y-12, but he brings more than 29 years of DOE nuclear operations experience. Upon graduating from

Louisiana Tech University with a Construction Engineering degree, he began working at the Nevada Test Site. It wasn’t long after his employment that Hollins knew what he wanted to do with his education.

“I knew from the beginning that I wanted to be a manager because I knew that in that position I would have the greatest ability to positively affect people’s lives,” he said. After only six months on the job, he was offered a Field Engineer position, which required both engineering and managerial skills. “Since then, I have been in management,” he said.

Hollins encourages anyone interested in management to “show initiative and market yourself to people that are doing what you want to become.” He takes great pride in his mentoring work with new hires and interns. “One of the most gratifying things I have found in my job is the ability to help mold and assist young talent. I believe that if we all try to pass as much of our knowledge and experience in our given line of work down to others, society will benefit greatly.”



Hollins

AMSE features African-American exhibits

Did you know that the traffic signal was invented by Garrett Morgan or that the first blood bank was created by Dr. Charles Drew, both African Americans? Through the month of February, which has been designated Black History Month, the American Museum of Science and Energy will feature the exhibit, “African Americans in History, Science and Technology.” You can learn about the contributions of several African Americans who have advanced mankind’s knowledge and well-being through history, science and technology. Educational enrichment and career opportunity information also will be provided to visitors.

Another exhibit of interest on display through the month is “African American Heroes of World War II.” It includes personal experiences and accounts related by the Tuskegee Airmen, the first all-black pursuit squadron; the Red Ball Express, the elite transportation corp; the First Battalion of the 24th Infantry at Bougainville; and the 761st Tank Battalion at Omaha Beach.

The museum, 300 S. Tulane Ave., is open from 9 a.m. to 5 p.m. Tuesday through Saturday and 1 to 5 p.m. on Sunday. It is closed on Monday. Admission costs \$3 for adults, \$2 for children ages 6 to 17 and \$2 for seniors ages 65 and older. Admission is free for children ages 5 and under.

Y-12 now using Six Sigma practices to improve processes

Six Sigma. TQM for the new millennium? Think on this: What if we could eliminate 200,000 wrong prescriptions each year? Prevent 5,000 incorrect surgical procedures every week? Put an end to 20,000 lost articles of mail per hour? According to the American Society for Quality, most U.S. companies conform to quality standards that result in these “defects.”

But by employing Six Sigma principles and tools, products and processes will have only 3.4 defects per million opportunities. In other words, products and processes will be 99.99966 percent good.

So, Six Sigma may be right for the commercial sector, but is it right for Y-12? “Absolutely,” says Doris Heim, Y-12’s Six

Sigma Site Champion and Director of Business and Information Systems. Heim notes that Six Sigma isn’t about bringing in outside consultants to evaluate problems and implement solutions. “Six Sigma brings together an internal team of subject-matter experts, process owners, and customers—all those who have a stake in the process, the problem, and its resolution.”

Heim is quick to point out that “we’re looking at

improving our most important work processes, which doesn’t necessarily mean that they’re ‘broken.’ We just want to maximize efficiency at Y-12.”

After the right players are assembled, Heim notes that the team relies on data—not opinions or beliefs—to pinpoint the problem. “The evaluation team goes through a structured, disciplined process of collecting and analyzing data, examining work processes, identifying the root cause of the problem, and implementing measurable results,” states Heim.

Heim says that the key difference between Six Sigma and other quality programs is that the Six Sigma process requires a control plan to ensure that improvements are not undone. “A control plan lets you monitor improvements to ensure that you’re achieving the results you anticipated.”

Process improvement projects, or PIPs, are led by “black belts.” Black belts are the backbone of the Six Sigma process and are responsible for achieving targeted business goals. These

individuals receive extensive training that consists of classroom exercises coupled with hands-on PIPs. A mentor works with the black belt candidate to monitor progress, review application of Six Sigma’s statistical tools, and field questions.

Y-12’s three certified black belts are David Dinse, Stuart Nordberg, and Jim Zonar. Y-12’s black-belts-in-training are Don Coffey, Todd Hawk, Melissa Portwood, Mary Sadler, and Barry Totten.

Heim notes that BWXT Y-12 President and General Manager John Mitchell selected the initial three black belt candidates. Dinse, Nordberg, and Zonar were handpicked to “quickly get the program up and running and moving in the right direction,” states Heim. Subsequent black belt candidates were competitively selected through the internal job posting process.

Projects that have been completed or are nearing completion include Dinse’s two PIPs on improving the Y-12 excess property removal process, Nordberg’s PIP on improving depleted uranium part routing, and Zonar’s PIP on improving the cycle time for maintenance job requests. Black belts typically complete three to five PIPs a year.

“Of the PIPs being worked this year,” states Heim, “we anticipate more than \$2.5 million in cost savings or cost avoidances. We’ve actually increased our productivity, because the money and time that we save are being reallocated to other Y-12 mission projects.”

Black belts are supported by part-time yellow belts. Yellow belts are process owners who map work processes and generate data to support improvements. “Our plan is to have 100 or more yellow belts across the Y-12 Complex,” says Heim. “We will have a Y-12 yellow belt trainer, and training will be conducted on site.”

But even if you’re not a black belt or yellow belt, there are numerous opportunities to become involved in Six Sigma projects. In fact, that’s really the whole point. Either by making a suggestion for a new PIP or serving on a PIP team, employees are encouraged to think about their work processes and then identify opportunities for improvement or help solve inherent problems.

Employees interested in submitting an idea for a “business case” or PIP can visit the Y-12 Six Sigma Web site (www-internal1.y12.doe.gov/6sigma/home.html). Y-12 champions are tasked with identifying, selecting, and enabling PIPs. PIPs are currently prioritized by Heim, but will eventually go to a steering council for prioritization. Heim notes that before any PIP is implemented, Mitchell gives the go-ahead.

Perhaps Dinse best summarizes the Six Sigma program: “We can’t solve world hunger, but with Six Sigma tools, we can take discrete Y-12 work processes and make them certifiably better.”



Y-12’s Black Belt crew includes (left to right) Todd Hawk, Barry Totten, Stuart Nordberg, Mary Sadler, Don Coffey II, Melissa Portwood, Jim Zonar and David Dinse.

Want to learn more or submit an idea for a project?

You can learn more about the Y-12 Six Sigma program by checking out the internal Web site at <http://www-internal1.y12.doe.gov/6sigma/home.html>. In the site, you also can access a page where you can submit ideas for Process Improvement Projects.

Benefits Delivery announces Savings Program changes

As a result of the enactment of the Economic Growth and Tax Relief Reconciliation Act of 2001, Benefits Delivery has made the following changes in the company's Savings Program.

Under previous provisions, an employee may contribute up to 16 percent of eligible earnings to the Savings Program. Now, non-highly compensated employees (those making less than \$85,000 in 2001) may contribute up to 60 percent (6 percent Basic and 54 percent Supplemental) of eligible earnings. The company will continue to match the first six percent. (Company match is calculated at 100 percent of the first 2 percent of eligible earnings and 50 percent on the next 4 percent.) Highly compensated employees' contributions will still be limited to 16 percent.

The maximum annual employee contributions to the 401(k) (pre-tax) plan will increase from \$10,500 to \$11,000. This amount will increase annually in \$1,000 increments through calendar year 2006.

Additionally, there is a new provision that will allow employees age 50 and over to make pre-tax "catch-up" contributions to the Savings Program if they desire. This catch-up provision will be automatic for employees who have contributed the maximum pre-tax amount of \$11,000 during the calendar year. Catch-up amounts through 2006 are as follows:

2002	\$1,000
2003	\$2,000
2004	\$3,000
2005	\$4,000
2006	\$5,000

There is, however, no company match on the catch-up contributions. Eligible employees (those who are age 50 and have made a pre-tax election to contribute more than \$11,000 in calendar year 2002) who **do**

not wish to take advantage of this provision must notify CitiStreet. You may call 1-888-ISAVEIT (1-888-472-8348) and speak to a customer-service representative.

There are still certain limits on Savings Program contributions. However, some of those have changed for calendar year 2002.

1. The maximum total annual additions increase from \$35,000 to \$40,000. (Your annual additions represent a combination of employee and employer contributions.) This limit now will be based upon 100 percent of compensation, rather than 25 percent.

2. Total compensation available for contributions to the Savings Program increases from \$170,000 to \$200,000.

There will be fewer restrictions on the transferring of Savings Plan funds. An individual may roll funds from any type of savings plan to any other type of savings plan. For example, the company now will accept rollovers from 403(b) or 457 plans.

Rollovers had been restricted to only the taxable portion of your distribution. However, beginning in 2002, after-tax contributions also may be rolled to an IRA if the IRA will accept the transfer of funds.

Benefits Delivery will be publishing additional information to assist you in your decision-making process on the Savings Plan home page at <http://www.y12.doe.gov/benefits/badmin/savpgm.htm>.

You may contact CitiStreet at their toll-free number listed above or use your activated internet account to increase your contribution elections.

As a reminder to those individuals with Lockheed Martin Corporation stock, your account balance must be liquidated by April 30, 2003.

If you have questions about any of these changes, you may contact Mike Moore at (865) 574-9564 or send e-mail messages to mooreml2@y12.doe.gov.

How are you planning for your retirement? Classes explain Savings Program

A series of presentations by Benefits Management's Michael L. Moore, manager of Benefits Finance, will be held at 104 Union Valley Road every third Monday beginning in February. Sessions will last from 4:30 to 6:30 p.m. and are open to all Y-12 employees and their spouses.

Registration for each session is limited to 50 participants. Call Benefits Management at (865) 574-9110 or email yte@y12.doe.gov. You may register for as many sessions as you like.

A different topic will be covered over the span of four sessions. Session topics include:

- Session I: What's It All About? An Introduction to the Savings Program
 - How Does It Work?
 - What Do I Need to Know?
 - Access and Statements
- Session II: Selecting Investments for My Savings Plan
 - An Introduction to Basic Investing Concepts
 - Income, Gain & Appreciation—What are they and how do I take full advantage?
 - Investment Choices—What are they and how do they make me rich?
 - Asset Classes—There is a difference
 - Asset Allocation—It's all in the model
 - Risk and Return—There is a relationship!

- Session III: Planning for Retirement
 - An Overview of the Economics of Retirement and the Need for Personal Financial Planning
 - Building Your Retirement Objectives
 - Evaluating Your Current Position
 - A Roadmap to Success – Your personal financial plan

Session IV: Special Topics and an Interactive Question and Answer Session

The schedule for sessions is as follows:

- February 18 - Session I
- March 18 - Session II
- April 15 - Session III
- May 20 - Session IV
- June 17 - Session I
- July 15 - Session II
- August 19 - Session III
- September 16 - Session II
- October 21 - Session IV
- November 18 - Session IV
- December 16 - Session IV

What's News

Beneficiary Confirmation Statements being mailed

Benefits Delivery will be sending out Beneficiary Confirmation Statements in the month of February 2002 for your Life Insurance (and Special Accident Insurance for active employees) policy. The envelope will have the One Call logo and will be marked "Personal and Confidential -- to be Opened by the Addressee Only". If after receiving this Confirmation Statement you wish to change your beneficiary, please call the OneCall Service Center at 574-1500 or toll free at 1-877-861-2255 for a new Beneficiary Designation Form to complete.

Y-12 establishes Speakers' Bureau

Do you know of a club or organization in the area that would like to learn about the Y-12 National Security Complex from guest speakers provided by the BWXT Y-12 Speakers' Bureau?

BWXT Y-12 established a speakers' bureau as a way to familiarize the community with its mission as well as to share knowledge and expertise and ideas.

Staff members from Y-12 are available, free of charge, to discuss their work in such areas as safety, environmental protection and compliance, information technology, engineering, emergency management, national defense and the modernization of the Complex.

Speakers also are available for many other subject areas, including professional and career areas.

To arrange for a BWXT Y-12 speaker, contact Y-12 Public Relations, 865-576-2963.

Retirement seminars scheduled for February, March

Register for the following upcoming retirement seminars:

- Tuesday, February 19, 6 p.m.
- Wednesday, February 20, 8 a.m.
- Tuesday, March 26, 6 p.m.
- Wednesday, March 27, 8 a.m.

Seminars are held at 104 Union Valley Road, Lobby Conference Room.

Topics covered include the savings plan, pension plan, group life insurance, medical plan and dental plan.

If you are thinking about retiring soon and are interested in attending a seminar, call the OneCall Service Center at 574-1500 or sign up through

the Benefits Delivery Web page. Spouses are welcome and encouraged to attend with you.

Drive slowly, safely at Bethel Valley Road portals

After a month, most people are getting accustomed to the new check-points on Bethel Valley Road. However, construction on the permanent portals on the west end, set for the month of February, means that things could look different there from day to day as lanes are moved and barrels are rearranged to accommodate the work.

ORNL Security's Greg Herdes urges commuters to approach the portals cautiously and drive through them slowly at all times, but particularly in the morning when fog may be present.

Join the Y-12 Bowl For Kids' Sake bowling team

Bowl For Kids' Sake is an annual fundraising event that has a long history of Y-12 employee participation. This year, the event will be held Saturday, March 2, in Oak Ridge. The event benefits the Big Brothers Big Sisters (BBBS) of the Tennessee Valley, a mentoring organization. BBBS currently facilitates the mentoring of 220 children and has 125 more on a waiting list.

Beth Sliski is the Y-12 coordinator this year and is recruiting Y-12 employees to participate. She is looking individuals, families and groups of employees within an organization to take part. Sliski stresses that this is a non-competitive event and that there will be prizes for people of all skill levels. To register or learn more about this fund-raising event, please contact Sliski at 574-2125.

Mitchell clarifies compensation review

Many questions were asked at the recent All Hands meetings about the news of an upcoming compensation review. To clarify the issue, Y-12 President and General Manager John Mitchell said that the current compensation plan is very complex and open to discrepancies. The company is going to look at all the components of the existing plan and use what currently works combined with new pieces to develop a more simple and fair process. Mitchell said that he does not know for certain how long the process will take, but he estimated that the project would continue through most of this year.

Look for more questions from the All Hands meetings in the next issue of the newsletter.

BWX TYmes

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